

1 **Adopt 2 Cal. Code Regs. Section 18404.1 to read:**

2 **18404.1. Termination of Committees.**

3 (a) **Pre-2001 Committees.** Any candidate controlled committee organized for elective  
4 state office for an election held prior to January 1, 2001, must be terminated as set forth in 2 Cal.  
5 Code Regs. section 18404 and as follows:

6 (1) Committees controlled by candidates who never held or, as of the effective date of  
7 this regulation, no longer hold the elective state office for which the committees were formed  
8 must be terminated no later than December 31, 2002.

9 (2) In addition to compliance with subsection (a)(1) of this regulation, for those  
10 candidates holding an elective state office as of the effective date of this regulation:

11 (A) Candidate controlled committees that have no debts must be terminated no later than  
12 9 months after the earliest of the date the candidate leaves office or the term of office ends.

13 (B) Candidate controlled committees that have debts must be terminated no later than 24  
14 months after the earliest of the date the candidate leaves office or the term of office ends.

15 (b) **2001 and Post-2001 Committees.** Candidate controlled committees organized for  
16 elective state office for an election held on or after January 1, 2001, must be terminated as set  
17 forth in 2 Cal. Code Regs. section 18404 and as follows:

18 (1) Candidate controlled committees with no net debts outstanding, as defined in 2. Cal.  
19 Code Regs. section 18531.6, must be terminated no later than 9 months after the earliest of the  
20 date the candidate leaves office or the term of office ends for the successful candidate, or 9  
21 months after the candidate was defeated.

22 (2) Candidate controlled committees with net debts outstanding, as defined by 2 Cal.  
23 Code Regs. section 18531.6, must be terminated no later than 24 months after the earliest of the

1 date the candidate leaves office or the term of office ends for the successful candidate, or 24  
2 months after the candidate was defeated.

3 (3) Candidates defeated in elections that were held prior to the effective date of this  
4 regulation shall terminate their committees 9 months from the effective date of this regulation if  
5 the committee has no debts outstanding, as defined in 2 Cal. Code Regs. section 18531.6, and 24  
6 months from the effective date of this regulation if the committee has outstanding debts.

7 (c) On or before termination of the candidate controlled committee, the campaign bank  
8 account associated with that committee must be closed. No further activity, including receipt of  
9 contributions or making of payments, is allowed after the date of the termination of the  
10 committee. Contributions received after the termination of the committee must be returned to  
11 the contributor.

12 (d) Candidates who are elected to an elective state office must terminate any controlled  
13 committees that were formed for any local elections that were held concurrent with or prior to  
14 their election to state office. Such termination shall be pursuant to 2 Cal. Code Regs. section  
15 18404 and shall be within 24 months of the candidate's election to state office.

16 (e) The committee shall give at least 60 days notice of its impending termination to all  
17 creditors to whom it owes outstanding debts. Such notice shall include the date upon which the  
18 committee expects to file its terminating statement of organization.

19 (f) A committee may submit a request to the Executive Director of the Fair Political  
20 Practices Commission for an extension of up to six month's duration in which to comply with the  
21 requirements of this section. Such a request shall be submitted to the Executive Director no later  
22 than 30 days prior to the original due date for the committee's termination. Requests to renew  
23 the extension for additional periods of up to six months must be submitted to the Executive  
24 Director no later than 30 days prior to the expiration of the prior extension.

1        The Executive Director's decision regarding the granting or denial of the extension may  
2 be appealed to the Chairman within 10 days of receipt of the denial. In denying or granting the  
3 request for extension, the Executive Director shall consider the following:

4        (1) Whether the committee:

5        (A) Is continuing to receive contributions toward its outstanding debts;

6        (B) Anticipates receiving contributions in the future toward its outstanding debts; and

7        (C) Demonstrates the ability to discharge its debts, loans and other obligations; or

8        (2) Whether the candidate or committee is a party to litigation arising out of his or her  
9 candidacy or status as an elected official, or anticipates the filing of such litigation; or

10       (3) Other good cause shown.

11       (g) This regulation does not apply to local candidate controlled committees, except as  
12 provided in subdivision (d) of this regulation.

13 NOTE: Authority cited: Section 83112, Government Code.

14 Reference: Section 84214, Government Code.